Supreme Court, U.S.
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No. 05-

IN THE

Supreme Court of the United States

BRIDGESTONE CORPORATION,
Petitioner,

v.

CITY OF MONROE EMPLOYEES RETIREMENT SYSTEM, et al.,
Respondents.

On Petition for a Writ of Certiorari to the United States Court of Appeals for the Sixth Circuit

PETITION FOR WRIT OF CERTIORARI

THOMAS S. KILBANE
(Counsel of Record)
JOSEPH C. WEINSTEIN
STEVEN A. DELCHIN
J. PHILIP CALABRESE
SQUIRE, SANDERS & DEMPSEY L.L.P.
4900 KEY TOWER
127 PUBLIC SQUARE
CLEVELAND, OH 44114-1304
(216) 479-8500

Counsel for Petitioner

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Becker Gallagher Legal Publishing, Inc. 800.890.5001

QUESTIONS PRESENTED

(1) In this private action alleging violations of the Securities Exchange Act of 1934, did the Sixth Circuit err by becoming the first Circuit to accept the "collective scienter" theory, which – contrary to the Private Securities Litigation Reform Act of 1995 ("Reform Act") – imputes to a corporate defendant the collective knowledge of all its corporate officers and employees, rather than focuses upon whether the corporate officials who participated in the making of the alleged misrepresentation or omission had the requisite state of mind?

(2) Did the Sixth Circuit err by adopting a standard of scienter that allows a plaintiff to state a claim for federal securities fraud based on allegations of mere negligence (based on what a defendant "should have" known) and by relaxing the Reform Act's mandate requiring a plaintiff to "state with particularity facts giving rise to a strong inference that the defendant acted with the required state of mind"?

(3) Did the Sixth Circuit err by holding that a corporate defendant commits securities fraud by failing to establish reserves for expenses already paid and accounted for in the company's audited financial statements in accordance with generally accepted accounting principles?

PARTIES TO THE PROCEEDING

Pursuant to Rule 14.1(b) of the Rules of this Court, a list of all parties to the proceeding in the court whose judgment is the subject of this petition is as follows:

Petitioner Bridgestone Corporation
(Defendant and appellee in the court below)

Respondent City of Monroe Employees Retirement System
(Plaintiff and appellant in the court below)

Bridgestone/Firestone, Inc.
(Defendant and appellee in the court below)

Yoichiro Kaizaki
(Defendant and appellee in the court below)

Masatoshi Ono
(Defendant and appellee in the court below)

The decision below affirmed the district court's judgment in favor of Yoichiro Kaizaki and Masatoshi Ono. As prevailing parties below, they do not have an interest in the outcome of this petition.

CORPORATE DISCLOSURE STATEMENT REQUIRED BY RULE 29.6

Pursuant to Rule 29.6 of this Court's rules, Petitioner Bridgestone Corporation states that it has no parent corporation, and no publicly held company owns 10% or more of its stock.

TABLE OF CONTENTS

Page

QUESTION PRESENTED i

PARTIES TO THE PROCEEDING ii

CORPORATE DISCLOSURE STATEMENT iii

INDEX TO APPENDICES vi

TABLE OF AUTHORITIES viii

PETITION FOR WRIT OF CERTIORARI 1

OPINIONS BELOW 1

JURISDICTION 1

STATUTORY PROVISIONS AND REGULATIONS INVOLVED 2

STATEMENT OF THE CASE 5

A. Factual Background 7

B. Proceedings Below 8

1. The District Court's Decision 9

2. The Sixth Circuit's Amended Decision .. 10

REASONS FOR GRANTING THE WRIT 13

I. THIS COURT SHOULD RESOLVE THE SPLIT OF AUTHORITY REGARDING THE "COLLECTIVE SCIENTER" THEORY 14

II. THE DECISION BELOW PRESENTS NUMEROUS ISSUES ON WHICH THE CIRCUITS ARE IN CONFLICT REGARDING THE SUBSTANTIVE AND PROCEDURAL ASPECTS OF SCIENTER 18

A. The Decision Below Conflicts with the Law of this Court and the Circuits Recognizing that Scienter Consists of More Than Mere Negligence 19

B. Supreme Court Review is Necessary to Resolve the Growing Split Among the Circuits Regarding What a Plaintiff Must Allege to Support a "Strong Inference" of Scienter under the Reform Act 23

III. THE SIXTH CIRCUIT HAS ADOPTED A NEW ACCOUNTING STANDARD THAT IS UNWORKABLE UNDER GAAP AND CREATES A CONFLICT WITH THE LAW OF OTHER CIRCUITS 25

CONCLUSION 28

INDEX TO APPENDICES

APPENDIX A

City of Monroe Employees Retirement System v. Bridgestone Corporation, 399 F.3d 651 (6th Cir. 2005) (amended opinion of the Sixth Circuit reversing the district court's dismissal of all claims against Bridgestone Corporation)

APPENDIX B

City of Monroe Employees Retirement System v. Bridgestone Corporation, 387 F.3d 468 (6th Cir. 2004) (original opinion of the Sixth Circuit reversing the district court's dismissal of all claims against Bridgestone Corporation)

APPENDIX C

City of Monroe Employees Retirement System v. Bridgestone Corporation, Case No. 3:01-cv-00017 (M.D. Tenn. February 27, 2003) (memorandum and order denying plaintiffs' Motion to Alter Judgment and for Leave to Amend Consolidated Complaint)

APPENDIX D

City of Monroe Employees Retirement System v. Bridgestone Corporation, Case No. 3:01-cv-00017 (M.D. Tenn. October 1, 2002) (opinion and order of district court dismissing, for failure to state a claim, plaintiff's claims against Bridgestone Corporation)

(con't)

APPENDIX E

City of Monroe Employees Retirement System v. Bridgestone Corporation, Case No. 03-5505 (6th Cir. May 3, 2005) (order denying petition for rehearing and suggestion for rehearing en banc)

APPENDIX F

Lyle Roberts, *Sixth Circuit Embraces Collective Scienter*, 10b-5 DAILY (October 22, 2004)

TABLE OF AUTHORITIES

Page

CASES:

Bryant v. Avado Brands, Inc.,
187 F. 3d 1271 (11th Cir. 1999)..... 19, 24

Chill v. General Elec. Co.,
101 F.3d 263 (2d Cir. 1996) 11

City of Philadelphia v. Fleming Cos., Inc.,
264 F. 3d 1245 (10th Cir. 2001)..... 24

Ernst & Ernst v. Hochfelder,
425 U.S. 185 (1976) 18

Greebel v. FTP Software, Inc.,
194 F. 3d 185 (1st Cir. 1999)..... 24

Greenstone v. Cambex Corp.,
975 F. 2d 22 (1st Cir. 1992) 26

Hoffman v. EstaBrook & Co.,
587 F.2d 509 (1st Cir. 1978) 19

In re Advanta Corp. Sec. Litig.,
180 F. 3d 525 (3d Cir. 1999) 23

In re Alpharma Sec. Litg.,
372 F. 3d 137 (3d Cir. 2004) 22

In re Apple Computer, Inc. Sec. Litig.,
243 F. Supp. 2d 1012 (N.D. Cal. 2002) 16

In re Comshare Inc. Sec. Litig.,
183 F.3d 542 (6th Cir. 1999)..... 11

In re K-tel Int'l Inc. Sec. Litig.,
300 F. 3d 881 (8th Cir. 2002)..... 24

In re Silicon Graphics Inc. Sec. Litig.,
183 F. 3d 970 (9th Cir. 1999)..... 19, 24

Kushner v. Beverly Enters., Inc.,
317 F.3d 820 (8th Cir. 2003)..... 22

Nathenson v. Zonagen, Inc.,
267 F. 3d 400 (5th Cir. 2001)..... 24

Nordstrom, Inc. v. Chubb & Son, Inc.,
54 F.3d 1424 (9th Cir. 1995)..... 16

Novak v. Kasaks,
216 F.3d 300 (2d Cir. 2000) 5

Ottmann v. Hanger Orthopedic Group, Inc.,
353 F.3d 338 (4th Cir. 2003)..... 20, 24

Press v. Chem. Inv. Servs. Corp.,
166 F. 3d 529 (2d Cir. 1999) 23

Southland Sec. Corp. v. INSpire Ins. Solutions Inc.,
365 F.3d 353 (5th Cir. 2004)..... 14-15, 17

Sundstrand Corp. v. Sun Chem. Corp.,
553 F.2d 1033 (7th Cir. 1977)..... 19

STATUTES:

15 U.SC. § 78j(b) 2

15 U.SC. § 78t(a) 2

15 U.SC. § 78u-4(b) 3, 14

REGULATIONS:

17 C.F.R. § 240.10b-5 3

17 C.F.R. § 240.12g3-2(b) 7

OTHER:

Robert J. Giuffra, Jr., "Pleading Scienter under the PSLRA," New York Law Journal (July 22, 1999) 20

Lyle Roberts, *Sixth Circuit Embraces Collective Scienter*, 10b-5 DAILY (October 22, 2004) 17

PETITION FOR WRIT OF CERTIORARI

Petitioner Bridgestone Corporation ("Bridgestone") respectfully requests that this Court grant its petition for a writ of certiorari to review the judgment of the United States Court of Appeals for the Sixth Circuit below, which reversed in part the district court's decision dismissing plaintiff's complaint for failure to state a claim.

OPINIONS BELOW

The opinion of the Sixth Circuit dated February 4, 2005 is reported at 399 F.3d 651 (6th Cir. 2005), and appears as Appendix A to this Petition. The court of appeals' February 4, 2005 opinion amended an earlier decision reported at 387 F.3d 468 (6th Cir. 2004), which appears as Appendix B to this Petition. The court of appeals' unpublished order denying the petition for rehearing and suggestion for rehearing en banc appears as Appendix E to this Petition. The opinions of the district court on review appear as Appendix C and D to this Petition.

JURISDICTION

The Court of Appeals entered judgment on February 4, 2005 and denied a timely petition for rehearing and suggestion for rehearing en banc on May 3, 2005. This Court's jurisdiction is invoked under 28 U.S.C. § 1254(1).